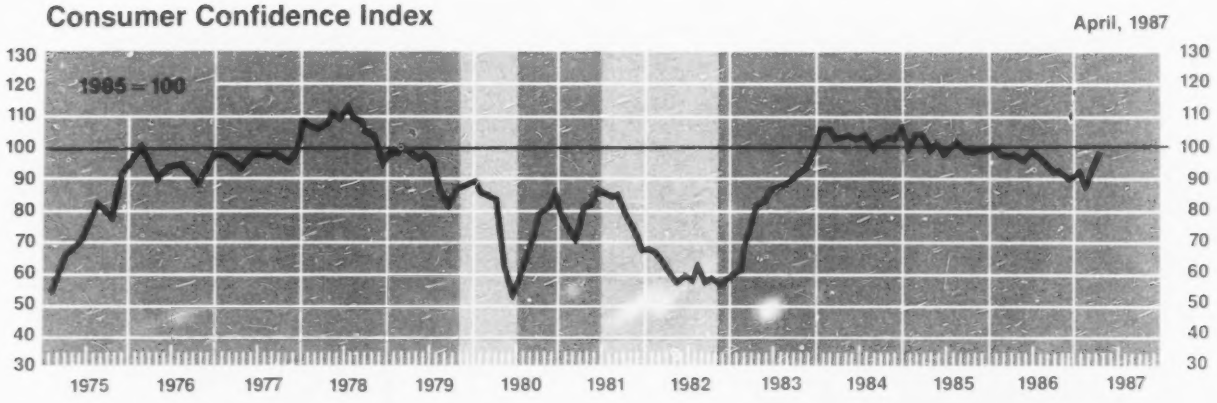
4/22/87 R4105-4A

Consumer Attitudes and Buying Plans

A Monthly Report from The Conference Board
Based on a Survey Conducted by NFO Research, Inc.

Consumer Confidence Index



CONSUMER CONFIDENCE IMPROVES PLANS TO BUY MIXED

The consumer's spirits improved in March. The Board's Confidence Index (1985 = 100) registered 98.1, representing a five point gain for the month. Car buying plans are down, home buying plans are stronger.

The increase in the measure of consumer confidence principally reflects a more positive assessment of the present employment situation and the outlook for jobs in the months ahead. Somewhat more persons than in the previous month's survey now report jobs to be "plentiful," fewer complain that they are "hard to get." In looking ahead to the next six months, markedly fewer respondents than last time are concerned that jobs will become scarcer.

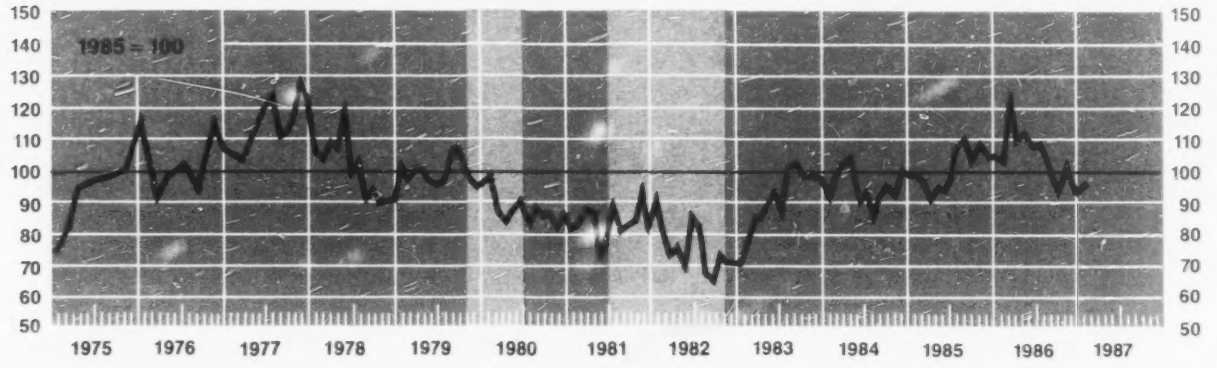
However, in assessing business conditions more generally—both the present situation and what is expected for the coming months—there has been little change. Consumers are ambivalent concerning their personal economic fortunes. Slightly fewer than last time expect their incomes to rise over the next six months, but there has also been a decline in the number that fear that their earnings will decrease.

Intentions to buy an automobile, which had risen to 7.8% in February, slipped to 7.4% in March. This series has been fluctuating at this general level since last Autumn. Intentions to buy a home, which had dropped sharply in February, recovered substantially in March, but not by enough to fully offset the previous loss. There has been a moderate decline in plans to purchase a major appliance in the coming months. Such intentions were expressed by 27.7% of all respondents—down from 29.1% in February.

Although consumer confidence gained ground in March, a closer look at the figures is not yet entirely reassuring. Consumers do not appear to be quite comfortable with present business conditions generally and are also somewhat apprehensive about the future. They are, however, increasingly more secure about the job on the floor. They are apparently responding to the decline in unemployment and the increase in the average length of the workweek. These developments evidently reflect an improvement in general economic conditions, which may carry over to a further improvement in the consumer's spirits.

Fabian Linden

Buying Plans Index



All data seasonally adjusted

Consumer Expectations and Intentions

Based on surveys conducted by NFO Research, Inc.
Percentage of all households = 100%

All series seasonally adjusted	1986 Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	1987 Jan.	Feb. (r)	Mar. (p)
Composite Series: Index Numbers, 1985 = 100													
Consumer Confidence Index	97.6	95.4	97.9	97.1	95.7	91.1	92.2	89.8	89.8	93.6	86.0	93.2	98.1
Present Situation	97.2	100.1	100.4	97.6	96.0	89.3	91.3	88.4	86.5	95.9	86.4	92.1	95.8
Expectations	97.9	92.2	96.2	96.7	95.6	92.2	92.9	90.8	92.0	92.1	85.8	93.9	99.6
Buying Plans Index	103.1	124.7	109.0	111.3	107.2	108.2	105.3	96.8	93.0	103.6	96.9	93.1	96.1
Appraisal of Present Situation: Percent													
Business Conditions													
Good	26.8	29.2	28.4	28.1	26.0	23.1	25.2	24.7	23.3	24.6	21.9	25.2	23.9
Bad	22.8	22.3	22.4	23.3	23.9	25.3	26.8	26.6	27.4	25.2	26.9	25.0	26.3
Normal	50.4	48.5	49.2	48.6	50.1	51.6	48.0	48.7	49.3	50.2	51.2	49.8	49.8
Employment													
Jobs plentiful	20.0	19.8	20.5	19.9	20.7	19.4	20.2	19.4	19.1	21.7	19.2	20.1	22.3
Jobs not so plentiful	47.8	49.0	48.1	48.0	46.5	46.7	46.1	45.2	45.9	46.3	46.8	45.5	46.1
Jobs hard to get	32.2	31.2	31.4	32.1	32.8	33.9	33.7	35.4	35.0	32.0	34.0	34.4	31.6
Expectations for Six Months Hence: Percent													
Business Conditions													
Better	20.6	20.2	20.6	20.7	20.1	19.4	19.7	18.6	18.4	18.3	15.8	19.7	19.1
Worse	9.2	11.9	9.8	9.6	10.4	10.5	10.0	10.7	9.6	10.6	10.9	9.5	8.8
Same	70.2	67.9	69.6	69.7	69.5	70.1	70.3	70.7	72.0	71.1	73.3	70.8	72.1
Employment													
More jobs	15.9	15.1	15.8	16.7	16.3	15.5	16.0	14.2	14.9	14.9	12.5	15.3	15.8
Fewer jobs	17.8	20.4	18.6	18.7	18.6	19.7	19.2	18.8	18.9	18.3	19.1	19.6	15.3
Same	66.3	64.5	65.6	64.6	65.1	64.8	64.8	67.0	66.2	66.8	68.4	65.1	68.9
Income													
Increase	26.5	28.2	27.6	26.9	26.8	25.7	24.5	23.7	23.5	24.2	21.0	25.9	24.8
Decrease	7.6	7.8	8.2	8.7	8.2	9.1	9.8	8.6	8.9	8.4	8.2	8.4	7.6
Same	65.9	64.0	64.2	64.4	65.0	65.2	65.7	67.7	67.6	67.4	70.8	65.7	67.6
Plans to Buy Within Six Months: Percent													
Automobile													
Yes	8.9	10.0	9.6	9.6	9.2	8.9	8.6	7.8	7.6	7.9	7.4	7.8	7.4
New	4.9	5.6	5.7	5.3	5.0	5.1	4.8	4.4	3.8	4.6	3.4	4.0	3.9
Used	3.0	3.4	2.8	3.6	3.2	2.8	2.5	2.3	2.7	2.6	2.6	2.9	2.6
Uncertain	1.0	1.0	1.1	0.7	1.0	1.0	1.3	1.1	1.1	0.7	1.4	0.9	0.9
Home													
Yes	4.2	4.4	4.5	4.6	4.4	4.1	4.4	4.0	3.1	4.3	4.4	3.1	3.9
New	1.3	1.4	1.2	1.3	1.1	1.3	1.2	1.1	1.1	1.1	1.5	1.1	1.2
Lived in	2.0	2.0	2.0	2.0	2.2	1.9	2.1	1.7	1.6	2.1	1.9	1.3	1.9
Uncertain	0.9	1.0	1.3	1.3	1.1	0.9	1.1	1.2	0.4	1.1	1.0	0.7	0.8
Major appliances													
Total plans	28.1	40.4	29.3	28.2	28.3	32.2	28.4	28.3	28.7	30.8	28.5	29.1	27.7
Refrigerator	3.9	6.2	4.1	4.2	4.4	5.0	4.2	4.9	4.8	4.4	5.3	5.2	4.4
Washing machine	4.1	6.8	4.3	3.9	4.5	4.7	4.2	4.3	4.3	4.4	4.2	3.8	4.2
TV Set	8.5	11.7	7.6	7.2	7.5	7.4	7.2	6.7	6.9	7.8	6.8	7.7	6.9
Vacuum Cleaner	5.0	4.8	5.4	4.8	3.9	5.5	4.8	4.6	4.8	5.6	4.3	4.8	5.1
Range	2.0	3.7	2.9	2.9	2.8	3.2	3.0	3.0	3.2	3.2	3.0	2.8	2.3
Clothes dryer	3.5	5.2	3.6	3.4	3.5	3.6	3.4	3.2	3.4	3.7	3.3	3.3	3.5
Air conditioner	1.1	2.0	1.4	1.8	1.7	2.8	1.6	1.6	1.3	1.7	1.6	1.5	1.3
Carpet	7.1	8.4	6.8	7.5	6.6	7.4	7.2	7.4	6.9	7.7	7.7	7.0	8.0
Vacation Intended Within Six Months: Percent													
Vacation Intended		51.2		51.5		50.3		48.4		49.5		50.9	
Destination													
Home state		10.9		11.7		11.1		9.2		10.1		11.5	
Other state		35.5		36.1		35.4		34.4		34.0		35.2	
Foreign country		7.1		5.4		6.0		6.3		6.6		5.9	
Means of travel													
Automobile		31.4		33.8		31.4		28.8		30.3		33.2	
Airplane		20.4		18.1		19.4		18.0		18.9		18.4	
Other		4.6		3.9		3.8		4.0		3.7		4.3	

(p)—preliminary (r)—revised

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